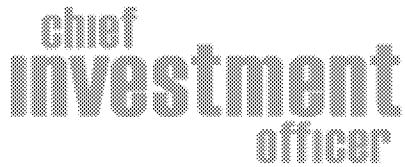


EXHIBIT D

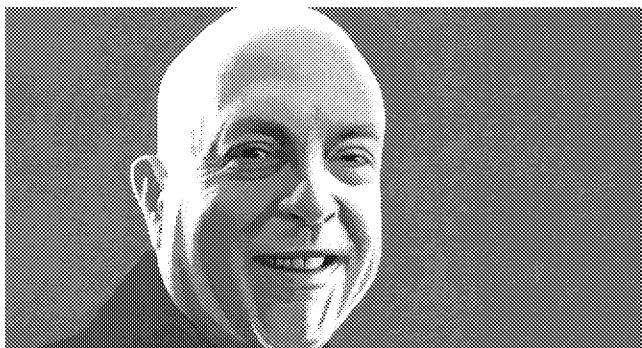


THE 2016 INNOVATORS

CORPORATE DEFINED BENEFIT PENSION PLAN
BELOW \$5 BILLION

Blue Cross Blue Shield Association

Jamey Sharpe, Chief Investment
Executive & Executive Director,
Retirement Services
(Chicago, Illinois)



Art by Thomas Fuchs

FEATURED PODCAST



In 2010, Jamey Sharpe made a bet:
Interest rates were going to stay low
for a long time.

Chief Investment Officer Podcast

[View All Podcasts >](#)

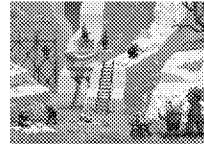
This bet would inform the Blue Cross Blue Shield CIO's primary strategic decision over the next six years: a shift to an 80% allocation to portable alpha strategies. "We've beaten our benchmark over the last one, three, five years—for every time frame we beat our benchmark by at least 150 basis points," Sharpe says. "And 90% of the credit for that goes to the portable alpha strategy."

With interest rates so low, portable alpha strategies have had particularly low hurdle rates over the last few years, making it easier to achieve outperformance at an attractive cost. The quantitative nature of most portable alpha strategies also means the results are fairly predictable—and less volatile than traditional long-only funds.

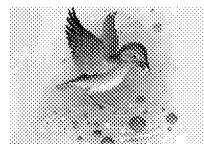
"We talked to a lot of managers about their portable alpha strategies and tried to come up with some consistency across the board," Sharpe says. "We've been fortunate enough to come up with portable alpha strategies that have had very consistent alpha."

The best innovations are often the fruit of necessity, and that's been the case for Blue Cross Blue Shield. As a trust of 21 separate pensions across

RECENT SURVEYS



[2021 Outsourced-Chief Investment Officer Survey](#)

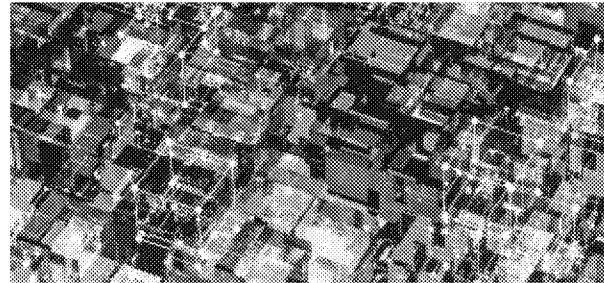


[2020 Transition Management Survey](#)



[2020 Liability-Driven Investment Survey](#)

UPCOMING EVENTS



[2021 Virtual Chief Investment Officer Symposium](#)

May 11-14, 2021 | Virtual Conference

MOST POPULAR

[Class of 2021 NextGens](#)

[DOJ Lawsuit Could Hurt Aon-Willis Towers Watson's Chances in Europe](#)

[Dalio's and Summers' Dim View on Inflation, Markets, the Economy](#)

[ESG Disclosure Bill Passes House by One Vote](#)

[You Think M&A Is Hot Now? Wait for the Tax Effect, Says Schwarzman](#)

THOUGHT LEADERSHIP SPOTLIGHT

[MORE >](#)

the health insurance network, the \$5 billion fund is not your traditional corporate pension. “All the assets and liabilities are separate and distinct,” Sharpe explains. “It’s really like 20 separate \$250 million pension funds. In reality we have one plan that’s \$1 billion and many that are under \$1 million, but each plan has its own risk profile and its own board.”

Sharpe acts as a sort of outsourced-CIO (OCIO), with varying degrees of stewardship over each of the 21 pension funds. He provides access to a dozen or so investment pools—ranging across the asset class spectrum from domestic equities to real estate—and each individual Blue Cross Blue Shield plan has the option to either choose its own strategic allocation across these pools or leave it up to Sharpe’s team.

“The challenge is making this \$5 billion asset pool allocable to all these plans with different objectives, whether it’s higher growth or LDI [liability-driven investing] or whatever it might be—while still maintaining the efficiencies of the total trust,” he says.

As the acting OCIO, Sharpe’s focus has been to expand the platform to



What Themes Will Drive Investment Grade Bond Performance in 2021?

Ronmrnqdc ax @udrbn



Nuveen’s 2021 Global Institutional Investor Study

Ronmrnqdc ax Mt uddm KKC

FEATURED VIDEO



Clint Coghill discusses the data challenges facing the institutional investment community

Backstop Solutions Group CEO Clint Coghill provides insight in the challenges institutional investors face in today's data-driven marketplace.

Sponsored by Backstop Solutions

INDUSTRY WHITE PAPERS

make sure all the varying needs of the individual plans are met. But investing 21 pension funds does come with its own challenges. “We can’t do a lot with private equity and hedge funds,” Sharpe explains. “It’s hard to sell 21 separate boards on something that’s not very liquid, that’s high cost, that’s not very transparent.”

Which brings Sharpe back to portable alpha. “Being quantitative in nature, these strategies are very transparent and relatively easy to explain to boards,” he says.

But what happens when interest rates finally go up? Already, yields have shot up in the wake of the US presidential election, and many investors are predicting a rate hike from the Federal Reserve this month.

“As long as rates don’t go up dramatically, we’re in pretty good shape,” Sharpe says. “But you got to keep your eye on it and keep thinking toward the future. Nothing lasts forever.”

—Amy Whyte

China Fixed Income: a fast-growing and strategic asset class
With global government bond yields low or negative, investors are increasingly searching for alternative diversifiers to equities. The China bond asset class has offered a high yield pickup vs. developed market government bonds, as well as a lower correlation with other asset classes. An active approach to China fixed income can serve as a powerful diversifier in global fixed income portfolios.



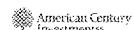
Global Currency Market Commentary
Monthly review of currency markets reviews evidence of the asynchronous nature of pandemic recovery.



China Is Embarking on A New Stage of Growth
China is entering its fifth decade of growth, and the conventional view among global investors may falsely point to growth avenues being exhausted.



EMD: Reframing the External vs. Local Debt Debate for 2021
The historical outperformance of external debt has led emerging markets debt (EMD) investors to overweight external debt compared with local debt.



Corporate Defined Benefit Pension Plan Below \$5 Billion Finalists

Caleres (formerly Brown Shoe Company) (Ken Hannah)

PPG (Andrew Kicinski & Jonathon Mcawley)

WestRock (Ward Dickson)

The 2016 Innovators



FOUNDATION Public Corporate Health Public
Defined Defined Care Defined
Benefit Benefit Care Benefit
Plan Above Pension Plan Plan \$15
\$100 Plan Billion to
Billion Below \$5 \$100
Billion Billion



Defined
Contribution



CHIEF INVESTMENT OFFICER

AkMdv r

ABNTS CON

Aant sTr

Rt qudxr
AlkKhxr
Eudm̄sr
L t lsh̄ dc h̄
Sgnt f gs Kd`c dqg h̄
C̄N Aldq̄s Aqbg h̄ud

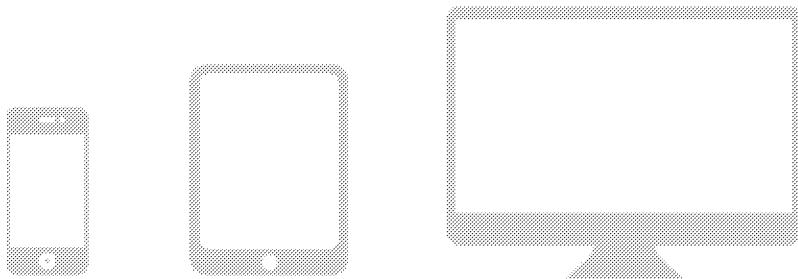
Cnms`bsTr
Ac udq̄shrd
Odu`bx Onk̄bx

ADUEQS̄RE V GSH
CH̄EF ĠMUERSL EMS NFF̄CEQ

GN SN RSQASEGČ ĠMRGHS

GES ACCERR SN CH̄EF ĠMUERSL EMS NFF̄CEQ EUEQXV HEQE

CH̄EF ĠMUERSL EMS NFF̄CEQ ĠR NOSĀ ĠRED FNQ



MEDIA

C̄N / OKAMADUĞREQ / OKAMRONMRNQ

702 King Farm Boulevard, Suite 400, Rockville,
MD 20850 / +1 212-944-4455 / issgovernance.com

Copyright ©2021 Asset International, Inc. All Rights
Reserved. No Reproduction Without Prior
Authorizations.

E_NOTICE Error in file footer.php at line 182: Undefined variable: auther_name